

The Accounts Commission for Scotland

Agenda

Meeting on Thursday 15 January 2015
in the offices of Audit Scotland, 18 George Street, Edinburgh

The meeting will begin at 10.15am

1. **Apologies for absence.**
2. **Declarations of interest.**
3. **Decisions on taking business in private:** The Commission will consider whether to take items 8 to 12 in private.
4. **Minutes of meeting of 11 December 2014.**
5. **Update report by the Secretary to the Accounts Commission:** The Commission will consider a report by the Secretary to the Commission on significant recent activity in relation to local government.
6. **Update report by the Controller of Audit:** The Commission will consider a verbal report by the Controller of Audit providing an update on his recent activity.
7. **Scrutiny improvement - update:** The Commission will consider a report by the Director of Performance Audit and Best Value.

The following items are proposed to be considered in private:

8. **Briefing: Arm's length external organisations:** The Commission will consider a report by the Director of Performance Audit and Best Value.
9. **Performance audit: draft report – Borrowing and treasury management:** The Commission will consider a report by the Director of Performance Audit and Best Value.
10. **Performance audit: draft report – Commonwealth Games (third report):** The Commission will consider a report by the Director of Performance Audit and Best Value.
11. **Controller of Audit engagement activities:** The Commission will consider a presentation by the Controller of Audit.
12. **Commission business matters:** The Commission will discuss matters of interest.

The following papers are enclosed for this meeting:

Agenda Item	Paper number
Agenda Item 4: Minutes of meeting of the Commission of 11 December 2014	AC.2015.1.1
Agenda Item 5: Report by Secretary to the Commission	AC.2015.1.2
Agenda Item 7: Report by Director of Performance Audit and Best Value	AC.2015.1.3
Agenda Item 8: Cover report by Secretary to the Commission	AC.2015.1.4
Agenda Item 9: Report by Director of Performance Audit and Best Value	AC.2015.1.5
Agenda Item 10: Report by Director of Performance Audit and Best Value	AC.2015.1.6

ACCOUNTS COMMISSION

MEETING 15 JANUARY 2015

MINUTES OF PREVIOUS MEETING

Minutes of the meeting of the Accounts Commission held in the offices of Audit Scotland at 18 George Street, Edinburgh, on Thursday, 11 December 2014, at 10.00am

PRESENT: Douglas Sinclair (Chair)
Ronnie Hinds (Deputy Chair)
Alan Campbell
Colin Duncan
Christine May
Tim McKay
Stephen Moore
Colin Peebles
Linda Pollock
Pauline Weetman

IN ATTENDANCE: Fraser McKinlay, Controller of Audit and Director of Performance Audit and Best Value (PABV)
Gordon Smail, Acting Secretary
Ronnie Nicol, Assistant Director, PABV [Items 9, 10 and 11]
Fiona Mitchell-Knight, Assistant Director, Audit Services Group (ASG) [Items 9 and 10]
Dave Richardson, Senior Audit Manager, ASG [Items 9 and 10]
Gemma Diamond, Senior Manager, PABV [Items 9 and 10]
Fiona Selkirk, Project Manager, PABV [Items 9 and 10]
Antony Clark, Assistant Director, PABV [Item 12 and 13]
Angela Cullen, Assistant Director, PABV [Item 12]
Kathrine Sibbald, Senior Manager, PABV [Item 13]
Douglas Black, Project Manager, PABV [Item 13]

<u>Item No</u>	<u>Subject</u>
1.	Apologies for absence
2.	Declarations of interest
3.	Decisions on taking business in private
4.	Minutes of meeting of 13 November 2014
5.	Minutes of meeting of Financial Audit and Assurance Committee of 27 November 2014
6.	Minutes of meeting of Performance Audit Committee of 27 November 2014
7.	Update report by the Secretary to the Commission
8.	Update report by the Controller of Audit
9.	Statutory report – South Ayrshire Council
10.	Statutory report – South Ayrshire Council <i>[in private]</i>
11.	Review of Auditing Best Value <i>[in private]</i>
12.	Performance Audit Programme 2015/16 <i>[in private]</i>
13.	Statutory performance information: 2014 Direction <i>[in private]</i>
14.	Commission business matters <i>[in private]</i>

1. Apologies for absence

It was noted that apologies for absence were received from Sandy Cumming and Graham Sharp.

2. Declarations of interest

The following declarations of interest were made:

- Colin Duncan: in items 9 and 10, in view of political connections in the South Ayrshire area. He played no part in the consideration of the said items.
- Christine May: in item 12, as Vice-Chair of the Fife Cultural Trust.
- Linda Pollock: in item 11, as a member of the board of the Care Inspectorate.

3. Decisions on taking business in private

It was agreed that items 10 to 14 should be taken in private as they contained confidential issues.

4. Minutes of meeting of 13 November 2014

The minutes of the meeting of 13 November 2014 were submitted and approved, subject to noting that, in relation to item 9 (Shared Risk Assessment 2015/16), the minute would be updated to show that the actions agreed are for the Director of Performance Audit and Best Value to address.

5. Minutes of meeting of Financial Audit and Assurance Committee of 27 November 2014

The minutes of the meeting of the Financial Audit and Assurance Committee of 27 November 2014 were approved as a correct record.

6. Minutes of meeting of Performance Audit Committee of 27 November 2014

The minutes of the meeting of the Performance Audit Committee of 27 November 2014 were approved as a correct record.

7. Update report by the Secretary to the Accounts Commission

The Commission considered a report by the Secretary providing an update on significant recent activity relating to local government and issues of relevance or interest across the wider public sector.

During discussion the Commission noted that, in addition to the matters highlighted in the Secretary's report, the Scottish Government is to convene an independent commission to examine alternatives to the existing council tax system and that the commission will report in autumn 2015.

8. Update report by the Controller of Audit

The Controller of Audit provided a verbal update on his recent activity including meetings and discussions with stakeholders. The Commission noted with interest the Controller's recent discussions with the Centre for Public Scrutiny and the National Audit Office on matters concerning local government in England.

During discussion the Commission agreed that as background information to the Commission's work in Scotland:

- members should be provided with copies of relevant reports by the Centre for Public Scrutiny and the National Audit Office
- the Commission would maintain a close interest in developments in local government in England, Wales and Northern Ireland.

Action: Secretary to the Commission

9. Statutory report – South Ayrshire Council

The Commission considered a report by the Secretary introducing a statutory report by the Controller of Audit on South Ayrshire Council and seeking direction on how to proceed.

During consideration, the Commission agreed:

- to note the report
- to consider in private how to proceed.

10. Statutory report – South Ayrshire Council [in private]

The Commission agreed that this item be held in private to allow it to consider how to proceed in relation to a report by the Controller of Audit.

The Commission discussed how to proceed in relation to the statutory report by the Controller of Audit on South Ayrshire Council.

Following discussion, the Commission agreed:

- to make findings, as contained in the report to be published on 18 December 2104.
- as part of those findings, to require the Controller of Audit to report again within 18 months.

11. Review of Auditing Best Value [in private]

The Commission agreed that this item be held in private to allow it to discuss an update on work to review the approach to auditing Best Value.

The Commission considered a report by the Director of Performance Audit and Best Value inviting the Commission to consider the development activity described in the report; consider and approve draft principles which will form the basis of discussions with stakeholders; consider the timescales and milestones for the development work; and consider the arrangements for engaging with stakeholders.

Following discussion, the Commission agreed:

- subject to amendments arising during the discussion, to approve the draft principles and the approach outlined in the report

Action: Director of Performance Audit and Best Value

- to arrange a workshop session for Commission members to allow further discussions about Best Value auditing
- to establish a sub-group, comprising the Chair and the Chairs of the Commission's two committees, to take forward the Commission's review of auditing Best Value.

Action: Secretary to the Commission

12. Performance Audit Programme 2015/16 [in private]

The Commission agreed that this item be held in private to allow it to discuss the performance audit programme for 2015/16.

The Commission considered a report by the Director of Performance Audit and Best Value outlining the performance audit programme prepared on behalf of the Accounts Commission and the Auditor General.

Following discussion the Commission agreed, subject to further discussions on specific proposals for performance audits in 2015/16 and future years, to agree the performance audit programme as set out in the report.

Action: Director of Performance Audit and Best Value

13. Statutory performance information: 2014 Direction [in private]

The Commission agreed that this item be held in private to allow it to discuss the statutory performance information: 2014 Direction.

The Commission considered a report by the Director of Performance Audit and Best Value setting out the Accounts Commission's 2014 Direction, due to be published by 31 December 2014, and the proposals to bring a further report to the Commission in June 2015 outlining options for a long-term strategy in relation to SPIs.

Following discussion, the Commission agreed:

- to approve the 2014 Direction, with delegated authority to the Chair to approve the foreword.
- to note that a further report would be brought to the Commission

Actions: Director of Performance Audit and Best Value

14. Commission business matters [in private]

The Commission agreed that the Chair's update on Commission business matters be held in private to allow it to discuss issues of a confidential nature relating to the operations of the Commission.

The Chair briefed the Commission on matters of interest.

ACCOUNTS COMMISSION

MEETING 15 JANUARY 2015

REPORT BY SECRETARY TO THE ACCOUNTS COMMISSION

UPDATE REPORT

Introduction

1. The purpose of this report is to provide a regular update to the Commission on significant recent activity relating to local government, as well as issues of relevance or interest across the wider public sector.
2. The regular Controller of Audit report to the Commission which updates the Commission on his activity complements this report. The Commission's Financial Audit and Assurance Committee also receives a more detailed update on issues relating to local government. Further, detailed news in relation to local government activity is provided in the weekly media digests produced by Audit Scotland's Communications Team and provided to Commission members alongside Commission meeting papers.
3. The information featured is also available on the Accounts Commission member portal. Hyperlinks are provided in the electronic version of this report for ease of reference.

Commission business

Impact of recent reports

4. As noted in my report to the December meeting of the Commission, [The City of Edinburgh Council: A follow-up report](#) was published on 4 December 2014. The report generated strong media interest in print (Herald, Scotsman, Mail, The National and Evening News) and broadcast, as well as BBC and STV online. Reporting generally reflected the report's key messages. Media speculation focused on the likely impact on services from the required savings. Download statistics indicate that the report was viewed on 350 occasions and there were 31 listens to the podcast up to 31 December 2014.
5. City of Edinburgh Council released a statement in response to the report. Chief Executive Sue Bruce commented that: *"The Commission's findings acknowledge the progress that the Council has made in key areas such as stronger governance throughout the organisation, more effective risk management, and improved employee engagement. It also highlights contribution of the recently established Governance, Risk and Best Value Committee in achieving this. The report rightly highlights the financial challenges the Council faces, and acknowledges that the Council has already put in place a transformation plan to tackle these issues, to ensure we deliver the best services and maximum value for money for the people of Edinburgh. This programme is in its initial stages and we recognise that there is work to do to meet our objectives. As we move forward into 2015, developing an effective workforce strategy will be a priority for the leadership team and current recommendations on a new delivery model for the Council represent an important step forward in this respect. This is a challenging time for all local authorities. The City of Edinburgh Council faces tougher financial challenges than many others, due to the city's growing population and its*

demographics. Our plans recognise the challenges we face, some of which are legacy issues, and we expect to deliver significant progress over the next 12 months.”

6. The report of the [South Ayrshire Council: Best Value Audit](#) was published on 18 December 2014. The report was considered at a meeting of South Ayrshire Council on the same date. There was limited media coverage with only items on BBC Online and West FM which were accurate and reflected the report’s messages. Since publication, 173 downloads of the report and 19 listens to the podcast were recorded (up to 31 December 2014).
7. In a response to the report, the Leader of South Ayrshire Council, Councillor Bill McIntosh, said: *“I’m very pleased the Commission recognises the huge amount of work that has been progressed over the last 10 months or so, and also acknowledges that more time is needed to fully embed some of the changes we’ve made throughout the organisation. We will continue to build on these changes in the coming months, with Councillors and officers working together to further improve the Council and continuing to deliver high-quality services to the people and communities of South Ayrshire.”*
8. Eileen Howat, Chief Executive, added: *“Our improvement journey is now well underway and our destination firmly in sight. The Commission clearly sees how far we’ve come and knows what we’re working to achieve and we have the drive and determination to make that happen.”*
9. The report prompted an oral question from Chic Brodie MSP, (South Scotland) asking the Scottish Government what action it will take as a result of the statutory follow-up from the Accounts Commission’s report on South Ayrshire Council in February 2014 (S4O-03873). At General Questions on 8 January 2015, Minister for Local Government & Community Empowerment, Marco Biagi stressed the need to make best use of resources and ensure best value was being achieved. He observed that a second Accounts Commission report had found improvements but said work to secure further improvement must continue. In addition, he confirmed he had written to the council, commenting on the progress that had been made and reiterating the Accounts Commission’s position on the need for sustained improvement. Finally, he looked forward to the publication of the follow-up report due in the next 18 months. Chic Brodie also welcomed the December report on the Council before asking if performance indicators should be made available to public and produced quarterly. The Minister replied that councils had to publish performance indicators as stipulated by the Accounts Commission, hoping this would improve local scrutiny.
10. The [School Education](#) report, published on 19 June 2014, continues to attract significant interest and the School Education Team is working with stakeholders to maximise its impact. Notably in December they attended the Education Scotland Leadership Away Day. The team presented the key findings from the report and discussed the implications of these for Education Scotland. The presentation was followed by a detailed question and answer session. Overall the event was very successful, with the team’s contribution being positively received by all those present, which including the organisation’s Chief Executive, Directors and Assistant Directors.
11. There was considerable interest in sharing the data gathered through the audit. The team have now prepared packs for Area Lead Officers assigned to every council which will be shared with Education Scotland in early January. Education Scotland is also keen to explore ways to work collaboratively with the audit team to support the impact of this audit. Specific areas may include the action plans developed by councils in response to the report and supporting the implementation of the elected members’

checklist. In addition, on 6 January 2015, the team met with Education Scotland to provide input into the ongoing work to create a new framework to gauge the progress of 3-18 learners across Scotland.

12. Individual councils continue to show interest in the report and the team has been invited to attend committees in Dumfries and Galloway, Orkney, Angus, Perth and Kinross and Shetland councils between January and March 2015. The team has also been asked to contribute to elected member development events in South Ayrshire, Midlothian and Moray councils. These events will include giving members a tailored briefing on the report followed by a discussion around the checklist.
13. The intention is to provide Commission members with more detailed feedback from the audit team later in the year, once all the council committee work has been completed.
14. During December 2014, the report was downloaded on 540 occasions. Overall, in the six months since its publication in June 2014, a total of 5,500 downloads have been recorded.

Other Commission business

15. Alex Neil MSP, Cabinet Secretary for Social Justice, Communities and Pensioners' Rights, has invited the Chair and Deputy Chair to a meeting with him and Marco Biagi MSP, Minister for Local Government and Community Empowerment, to introduce themselves and to discuss matters of mutual interest. This will take place on 14 January.
16. I reported previously on the Commission's engagement with Orkney Community Planning Partnership following publication of the audit of the partnership on 6 November 2014. The partnership has invited the Commission to a meeting of its Board on 23 February to discuss the report.
17. Similarly, South Ayrshire Council has accepted an invitation by the Commission to discuss the recent report of the Best Value audit of the council, published on 18 December. A date will be agreed shortly.
18. As reported to previous meetings of the Commission (November and December 2014), the Scottish Government's Public Bodies Unit hosted a [Development Event for Non-Executive Directors](#) on 3 November 2014. Linda Pollock attended the seminar on behalf of the Accounts Commission and briefed members at the December meeting. On 29 December 2014, Alison Douglas, Head of Public Bodies and Public Service Reform Unit, wrote to public bodies and organisations providing an update on the actions from the event and a summary paper on the role of The Non-Executive Director. These will be followed by an *On Board guide for Board Members* to be issued in early 2015. I will arrange for these to be considered by the Commission as part of private business at its February meeting.
19. Commission members will recall that at its April 2014 meeting, the Commission approved a revised Code of Conduct, based upon a new Model Code of Conduct for Members of Devolved Public Bodies issued by ministers. The Standards Commission has issued revised [Guidance on the Model Code](#). I am currently liaising with the Standards Commission on inconsistencies between the Guidance and the Model Code, and I will update Commission members as appropriate.
20. The First Minister announced on 26 November, as part of the Programme for Government, a pledge to encourage public boards to achieve a 50:50 gender balance

on boards by 2020. The Scottish Government has established a programme board, the Public Boards and Corporate Diversity Programme, to oversee the delivery of this work. From January 2015, the Scottish Government and the Office of the Commissioner for Ethical Standards in Public Life will work together in a review of the 2013 Code of Public Appointments to capture learning and good practice from recent appointment rounds. I will keep the Commission informed of the progress of this review.

Auditor General for Scotland:

21. On 11 December 2014, the [Preparations for the implementation of the Scotland Act 2012](#) report was published. The report received extensive media coverage across print and broadcast. The Auditor General for Scotland (AGS) was interviewed by Good Morning Scotland (GMS) and BBC Reporting Scotland, in addition to significant political reaction from all parties. Senior officials from Revenue Scotland were subsequently recalled to the Finance Committee to explain earlier evidence given which appeared to conflict with the Audit Scotland report. Following the report's consideration at the Public Audit Committee of 17 December 2014, (see paragraph 30) coverage focused on submissions made to it and to the Finance Committee from the Head of Revenue Scotland, as well as possible contingency plans in the event that IT systems and staff are not in place to manage the new taxes effectively.
22. The Auditor General's report on [The 2013/14 audit of the Scottish Police Authority](#) was published on 19 December 2014. The report highlighted the poor quality of aspects of the SPA's accounting records, and access to information and explanations. It also stated that adequate accounting records were not kept in certain areas during 2013/14. There was minimal media coverage with only an extensive Sunday Herald exclusive and comment, and article in Accountancy Age online magazine. Extensive discussion of report by Public Audit Committee members at a future meeting is anticipated following political divisions concerning the Police Reform report which resulted in a minority report being produced by the Committee in May 2014.

Issues affecting local government

Scottish Government:

23. In December 2014, Alex Neil MSP, Cabinet Secretary and Marco Biagi MSP, Local Government Minister, commenced a series of introductory meetings with all councils. During December 2014, Marco Biagi MSP met with Highland Council (5 December 2014), North Ayrshire Council (15 December 2014) and East Ayrshire Council (15 December 2014). Both Marco Biagi MSP and Alex Neil MSP met with representatives of Glasgow City Council (17 December 2014) and City of Edinburgh Council (18 December 2014). Meetings with the remaining councils will be arranged in 2015. I will keep the Commission informed of this schedule as it becomes available.
24. On 31 December 2014, Deputy First Minister John Swinney announced appointments to the [board of Revenue Scotland](#). The tax authority became a non-ministerial department as of 1 January 2015. The board members are: Dr Keith Nicholson, chair, John Whiting, Jane Ryder, Lynn Bradley and Ian Tait. The announcement states that Revenue Scotland is making adequate progress to manage collection of Scotland's new devolved taxes from 1 April. More details are available on the [Scottish Government](#) and [Revenue Scotland](#) websites.

Scottish Parliament

Parliamentary Committee News:

Local Government and Regeneration Committee:

25. At its meeting of 17 December 2014 the Committee considered the [Air Weapons and Licensing \(Scotland\) Bill](#). The Committee took evidence on the Bill at Stage 1 [Community Empowerment \(Scotland\) Bill](#) at Stage 1.
26. At the 7 January 2015 meeting, the Committee considered a draft Stage 1 report on the [Community Empowerment \(Scotland\) Bill](#) and agreed to continue consideration of its draft report, in private, at its next meeting.
27. The Committee heard evidence on the [Scottish Public Service Ombudsman 2013/14 Annual Report](#). It agreed to write to the Ombudsman to seek a response to questions from the public which were not addressed during the oral evidence taking session. The Committee also agreed to keep Public Petition PE1538 open, and to consider what further action, if any, it wishes to take on this petition following receipt of information requested from the Ombudsman. It discussed the existing approach for consideration of the Ombudsman's annual report, and which it reviewed at its meeting on 24 September 2014. In future, to avoid repetition, the Committee agreed not to consider any questions it receives from the public relating to the Ombudsman's annual report, the subject of which it has already considered in relation to its consideration of the annual report in previous years. The Committee agreed, with this addition, to continue the current approach for the consideration of the annual report for the rest of this Session of the Parliament.
28. Also at this meeting, the Committee the following negative instruments and agreed not to make any recommendations to the Parliament on these instruments:
 - Town and Country Planning (General Permitted Development) (Scotland) Amendment (No. 2) Order 2014 (SSI 2014/300).
 - The Town and Country Planning (Fees for Applications and Deemed Applications) (Scotland) Amendment (No. 2) Regulations 2014 (SSI 2014/301)
 - The Charities Accounts (Scotland) Amendment (No. 2) Regulations 2014 (SSI 2014/335). The Committee the Committee appointed a member to serve as its European Union Reporter
 - The Committee agreed to defer consideration of the appointment of a European Union Reporter to its next meeting.
29. The Committee agreed to defer consideration of the appointment of a European Union Reporter to its next meeting

Public Audit Committee:

30. At its 17 December 2014 meeting, the Committee considered the Section 23¹ report by the Auditor General for Scotland, [Preparations for the implementation of the Scotland Act 2012](#). Evidence was heard from Caroline Gardner, Auditor General for Scotland

¹ The Auditor General for Scotland (AGS) reports to the Public Audit Committee under Section 23 of the Public Finance and Accountability Act on economy, efficiency and effectiveness of public sector bodies (excluding local government).

(AGS); Mark Taylor, Assistant Director, Gordon Smail, Senior Manager, and Rebecca Seidel, Project Manager, Audit Scotland. The Committee considered its approach and agreed to write to the Scottish Government and Revenue Scotland on issues raised in discussion.

31. In addition, the Committee considered written submissions from the [Scottish Government](#) and [NHS Orkney](#) on the AGS Section 22² reports, [The 2013/14 audit of NHS Orkney: Financial management](#) and [The 2013/14 audit of NHS Highland: Financial management](#). The Committee agreed to defer consideration of whether to take evidence on these the Scottish Government reports.
32. There have been a number of changes to the [membership](#) of the Public Audit Committee were announced on 8 January 2015. Drew Smith MSP (Labour) will replace Ken Macintosh MSP; Paul Martin (Labour) replaces Hugh Henry MSP and Stuart McMillan MSP (SNP) replaces Gil Paterson MSP.

Infrastructure and Capital Investment Committee:

33. The Committee's meeting of 17 December 2014 was a single item agenda to consider the Scottish Water annual report 2013-14.

Finance Committee:

34. On 10 December 2014, the Committee launched a [call for evidence](#) on the [Community Charge Debt \(Scotland\) Bill](#). The Bill seeks to cancel any liability of community charge (commonly known as the Poll Tax) debt, and any associated debt. It will also make summary warrants and decrees unenforceable in so far as they relate to Community Charge debt. The deadline for responses was Wednesday 7 January 2015. The Committee intends to hold oral evidence sessions on 14 January 2015. Stage 1 of the Bill is due to be completed by 29 January 2015.
35. At its meeting of 17 December 2014, the Committee took evidence on further fiscal devolution. It also considered and agreed its approach to piloting the post-legislative scrutiny of financial memoranda. Also at this meeting, the Committee took evidence on devolved taxes implementation.
36. On 7 January 2015, the Committee considered a draft report on the Scottish Government's Draft Budget 2015-16. Various changes were proposed and decided upon (one by division) and the Committee agreed to consider further changes by correspondence.

Devolution (Further Powers) Committee:

37. At its meeting of 18 December 2014, the Committee considered the electoral management of the Scottish Independence Referendum. It took evidence from a number of senior officials involved in the administration of the referendum including Mary Pitcaithly, Chief Counting Officer at the Scottish Independence Referendum and , Convener of the Electoral Management Board for Scotland. The Committee agreed to write to the Electoral Management Board with questions that there was not time to consider during the meeting.

² The Auditor General for Scotland (AGS) reports to the Public Audit Committee under Section 22 of the Public Finance and Accountability Act on the audit of accounts of individual public bodies.

38. On 8 January 2015, the Committee took evidence on the Electoral Commission's report on the [Scottish Independence Referendum](#), published on 16 December 2014. The Committee also considered its future work programme.

Justice Sub-Committee on Policing:

39. At its meeting of 7 January 2015, the Committee considered a written update from Police Scotland's on the i6 ICT programme before hearing evidence from Police Scotland and the Scottish Police Authority (SPA). The Committee also considered its work programme.

Bills – Progress Updates:

40. The [Community Empowerment \(Scotland\) Bill](#) was introduced by the John Swinney MSP, Cabinet Secretary, on 11 June 2014. Stage 1 consideration is due to be completed by 6 February 2015. The Local Government and Regeneration Committee is the lead committee.
41. Consideration of the [Criminal Justice \(Scotland\) Bill](#) at Stage 2 is continuing – a completion date has not yet been scheduled. Stage 1 consideration was completed on 27 February 2014. The lead committee is the Justice Committee.
42. Consideration of the Government Bill, [Air Weapons and Licensing \(Scotland\) Bill](#) (introduced 14 May 2014) continues. The Local Government and Regeneration Committee is lead committee. Stage 1 consideration is due to be completed by 3 April 2015.
43. The [Welfare Funds \(Scotland\) Bill](#) was introduced by Nicola Sturgeon MSP, Cabinet Secretary, on 10 June 2014. The lead committee is the Welfare Reform Committee. Stage 1 consideration was completed on 19 December 2014.
44. The [Community Charge Debt \(Scotland\) Bill](#) was introduced by John Swinney MSP, Deputy First Minister, on 3 December 2014. The lead committee is the Finance Committee. A completion date for Stage 1 consideration has yet to be determined.

Smith Commission - Updates:

45. The Smith Commission's proposals are currently being considered within the Scottish and UK Parliaments, principally through the [Devolution \(Further Powers\) Committee](#) (paragraph 37) and [Scottish Affairs Committee](#) (paragraph 64) respectively.

COSLA, Improvement Service etc.:

46. The COSLA Convention held a private meeting on 12 December 2014. A summary of the meeting is not publicly available.

Current activity and news in local government:

Individual councils:

47. The following paragraphs highlight current activity and news occurring in local government over the previous month as well as developing issues. The items are drawn from a range of sources including news articles, websites and media summaries. Some of the more significant issues are highlighted in the following sections.

48. On 7 January 2015, it was reported that four SNP councillors at Renfrewshire Council had been suspended from the party for a period of two months. The suspension followed an incident on 30 November 2014, in which the four councillors, namely, former council leader Brian Lawson and Councillors Will Mylet, Mags MacLaren and Kenny MacLaren, burned a copy of the Smith Commission report outside the council headquarters and followed a disciplinary hearing held on 21 December 2014. The suspension has been backdated to the beginning of December 2014. More details are available at [BBC online](#).
49. Media reports of 7 January 2015 have indicated that Aberdeen City Council needs to meet a £50 million funding shortfall over the next five years. The Leader of the Council, Jenny Laing, stated that difficult decisions will be required in the future, having achieved savings for the last two years without job cuts or reductions in spending. The council is reported to be considering efficiency savings and transformational change, and has not ruled out cuts to services.
50. On 23 December 2014, it was reported in the Herald that West Dunbartonshire Council had written to the Scottish Government, requesting an additional £6 million in funding for each of the next three years. The Council also requested that it should have the right to increase Council Tax without penalty. West Dunbartonshire Council is considering £17 million in budget cuts next year.
51. In an article on 22 December 2014, the Herald reported that councils which had resigned from COSLA had released plans for their new body, provisionally titled Scottish Local Government Partnership. Aberdeen, Glasgow, South Lanarkshire and Renfrewshire councils will be the founding members. Membership will be open to all Scotland's local authorities. The body will be formally constituted in March 2015 and representatives will comprise the leaders of the authorities. Decisions will be taken through consensus as opposed to a majority vote. A press statement outlining the early plans is available on Renfrewshire Council's [website](#).
52. As reported to the December 2014 meeting of the Commission, the [shortlist](#) for inaugural Scottish Public Service Awards included a number of Council nominees in the various award categories. The winners were announced at a ceremony at the Scottish Parliament on 12 December 2014. Caroline Gardner, Auditor General, was a member of the judging panel. The [Leadership award](#) was won by the Leaders and Chief Executives of Comhairle nan Eilean Siar, Orkney Islands Council and Shetland Islands Council, for the *Our Islands, Our Future* campaign. The campaign was launched by the three island councils in June 2013 to address common issues through the opportunity presented by the independence referendum in Scotland. The campaign secured significant commitments across 23 primary areas with the Scottish Government and 17 primary areas with the UK Government. The [Innovation in Public Service Delivery award](#) was won by a joint initiative by Angus, East Renfrewshire and East Dunbartonshire councils. The *Call blockers* scheme tackles nuisance and scam telephone calls by installing call blocking equipment free of charge in the homes of vulnerable residents in the council areas.
53. The SNP candidate John Armour won the [South Kintyre ward by-election](#) for Argyll and Bute Council, held on 11 December 2014. This result was a hold for the party. The by-election was held following the resignation of SNP councillor John Semple. More information is available on the council's [website](#).
54. The SNP candidate Kirsty Reid won the [Elgin City North by-election](#) for the Moray Council, held on 11 December 2014. This result was a gain for the party. The by-

election was held following the resignation of Labour councillor Barry Jarvis. More information is available on the council's [website](#).

55. A number of senior councillors and officials of Scottish local authorities were named in the 2015 New Year Honours list. Sue Bruce, Chief Executive, City of Edinburgh Council was made a Dame. Councillor Gordon Matheson, Leader of Glasgow City Council and Bridget McConnell, Chief Executive, Culture and Sport Glasgow, received CBEs. Councillor Archibald Graham, Deputy Leader of Glasgow City Council and Maureen McKenna, Director of Education, Glasgow City Council, were awarded OBEs.

Scrutiny, inspection, regulatory and related bodies

Her Majesty's inspectorate of Constabulary of Scotland (HMICS):

56. [HMICS Annual Report 2013-14](#) was published on 19 December 2014. It provides an update on how HMICS activities for the period of 1 April 2013 to 31 March 2014. The report outlines how HMICS has responded to the new policing arrangements to fulfil its critical new scrutiny role. In addition, it comments on the overall state, effectiveness and efficiency of policing in Scotland and the performance of Police Scotland and the Scottish Police Authority, (SPA) during 2013/14. The report concludes that the police reform process has been effective to date, as evidenced by the continuation of front line policing services from 1 April 2013, with minimal impact on the services provided to communities. However significant future challenges including financial constraints remain, making it important that both Police Scotland and the SPA clarify future structures and implement transition plans to deliver sustainable savings. More details are available on HMICS [website](#).

Scottish Public Sector Ombudsman (SPSO):

57. The [SPSO News – December](#) was published on 19 December 2014. The December newsletter summarises November case numbers, outlines investigations reports, recent SPSO news and highlights emerging issues, including in this month's edition. More information on the SPSO's work, including detailed Investigations and decision reports, are on the [Our findings](#) webpage. More detailed intelligence from the SPSO is considered routinely by the Financial Audit and Assurance Committee. More information is available on the SPSO's [website](#).
58. Also published on 19 December 2014, SPSO published its annual [Prisons Complaints 2013/14](#) report. It presents data covering the third full year of the SPSO handling prisons complaints as well as analysing the issues raised by prisoners, emerging themes and lessons learned, including case studies. During the year, a total of 311 complaints were received of which 32 per cent were upheld and 63 recommendations for redress and improvement were made. Some information on prisoner healthcare complaints is included to provide a fuller picture of the issues, although these specific issues are covered in more detail in SPSO's annual [Health Complaints 2013/14](#) report of 30 October 2014. More information is available on SPSO's [website](#).

Commissioner for Ethical Standards in Public Life in Scotland:

59. From 1 December 2014 to 7 January 2015, the Commissioner published decisions on five complaints relating to councillors, namely [Councillor James Docherty](#), South Lanarkshire Council, [Councillor Danny Devlin](#), East Renfrewshire Council, [Depute Provost John Patrick](#), Falkirk Council, [Councillor Alistair MacDougall](#), Argyll and Bute Council and [Councillor Barbara Grant](#), East Renfrewshire Council. In four of these cases the Commissioner decided that no breach of the Councillors' Code of Conduct

had occurred. In the case of [Councillor Barbara Grant](#), the Commissioner concluded that the Code had been contravened and referred the complaint to the Standards Commission for Scotland for further investigation (see paragraph 60). More detailed intelligence from the Commissioner is considered routinely by the Financial Audit and Assurance Committee.

Standards Commission for Scotland:

60. Over the period 1 December 2014 to 7 January 2015, the [Standards Commission](#) held one Hearing to investigate a complaint (referred from the [Commissioner](#)) against [Councillor Barbara Grant](#), East Renfrewshire Council, which took place on 2 December 2014. The Panel decided that a breach of the councillors' code of conduct had occurred and a censure was applied. The Commission decided to hold future hearings to consider four additional cases, including a complaint against several Aberdeen City Council councillors namely, [Councillors Barney Crockett, Neil Cooney, Fraser Forsyth, Ross Grant, Jenny Laing, Ross Thomson and Willie Young](#). A Hearing is scheduled for 11 February 2015. Hearings will also be held to investigate complaints against [Councillor Fraser McAllister](#), East Lothian Council (14 and 15 February 2015), [Councillor George Black](#), West Dunbartonshire Council (17 and 18 February 2015) and [Councillor Corrie McChord](#), Stirling Council (date not yet scheduled). More detailed intelligence from the Standards Commission is considered routinely by the Financial Audit and Assurance Committee.

Other UK Audit Bodies

National Audit Office:

61. NAO published [Public Health England's grant to local authorities](#) on 17 December 2014. The report concludes that Public Health England has made a good start in supporting local authorities with their new responsibilities for delivering public health improvements, but it is too early to tell whether its approach is achieving value for money. Public Health England, established in April 2013, is accountable for achieving the outcomes set by the Department of Health. Significant variation was found in spending on different aspects of public health across local authorities, reflecting the differing needs and circumstances of different areas. However, examples were also found where spending decisions were not obviously based on local needs and priorities. More details are available on NAO's [website](#).

Audit Commission:

62. On 11 December 2014, the Audit Commission published [Auditing the Accounts 2013/14: Local Government Bodies](#). This was the last report by the Audit Commission on the financial stewardship of local public bodies before the body is wound up. The report concludes that financial reporting was consistently strong for most types of principal local authorities in 2013/14 when compared to the previous financial year. The results for small bodies were however less satisfactory, with 11 per cent of parish councils and 16 per cent of internal drainage boards (IDBs) receiving a qualified opinion on their 2013/14 annual return by 30 September 2014, representing increases of 8 per cent and 9 per cent, respectively. More information is available on the Audit Commission's [website](#).

Westminster

Public Accounts Committee:

63. On 7 January 2015, the PAC published the [Whole of Government Accounts 2012-13](#) report. The WGA report represents an essential tool in supporting Parliamentary accountability. In a [statement](#) to accompany the publication, Chair of the Committee, Margaret Hodge MP commented that, "We welcome the publication of the *Whole of Government Accounts as an essential tool for holding Government to account for its management of the public finances. However, the Accounts do not currently offer Parliament real visibility over the delivery and impact of the Government's deficit reduction plans.*" The report recommends that Treasury should use the WGA to set out the risks and uncertainties it faces in meeting fiscal consolidation and how these are being managed. The WGA should also set out how Spending Teams have used WGA information to influence the next spending round and beyond. A number of specific recommendations are defined to achieve this.

Scottish Affairs Committee:

64. At its meeting of 16 December 2014, the Committee continued its [inquiry](#) into the Smith Commission's proposals for further devolution to Scotland. It took [oral evidence](#) from Alistair Carmichael MP, Secretary of State for Scotland on the [Smith Commission's proposals](#) for the further devolution of powers to the Scottish Parliament, following the Scottish referendum and the publication of the Commission report on 27 November 2014.

Information and Intelligence

65. Deloitte published in October 2014, in conjunction with the think tank Reform, its annual [State of the State](#) report, which brings together material from various sources – including government accounts, public spending data, the Budget, the Autumn Statement and official economic forecasts – into a single 'snapshot', augmented by roundtable discussions and interviews with executives from across public services.. The report argues that the Government is moving towards a "historic inflection point", with public sector bodies and citizen experiences of public services likely to change profoundly. It notes that at 2014-15, the coalition Government's programme of deficit reduction is halfway through. It states that interviews conducted with senior executives in local public services suggest that they are "proud" of the way that they have managed spending cuts, but most of those interviewed had a less positive outlook for the future and further cuts to come. Many spoke of risk, uncertainty and the prospect of organisational and service failure in the years ahead.
66. Public Finance magazine has featured an article entitled, [Labour pledges £500m in local government savings](#). The article discusses claims in the latest report from the Labour Party's zero-based review of public spending that the next Labour government would save more than £500m from council funding by expanding shared service schemes across local authorities. The party announced plans to 'support and empower' councils to unlock savings through increased collaboration. The article reports that savings would be made available to reduce pressure on frontline services, as a means of incentivising collaboration, but notes that an assumption of savings would also be 'built in' to local funding settlements. Also in the report, the party confirmed its intention to end the government's New Homes Bonus, designed to incentivise councils to approve construction of more homes, following a review of the scheme. In response to the plans, the local government minister, Kris Hopkins

commented that the coalition government was already delivering these local government savings as part of its own plan to close the deficit.

Conclusion

67. The Commission is invited to consider and note this report.

Paul Reilly
Secretary to the Accounts Commission
8 January 2015

ACCOUNTS COMMISSION

MEETING 15th JANUARY 2015

REPORT BY DIRECTOR OF PERFORMANCE AUDIT AND BEST VALUE

SCRUTINY IMPROVEMENT UPDATE

Purpose of Report

1. This report builds on the shared risk assessment (SRA) briefing given to the Commission in November 2014. It provides an overview of the recent work of the Strategic Scrutiny Group, of which the SRA is a part, with a particular focus on the Strategic Scrutiny Group's revised Terms of Reference and Work Programme for 2014/15.

Background

2. The Scottish Government's response to the 2007 Crerar report set out its aim of establishing a simplified and coherent approach to delivering local government scrutiny. A key aspect of that agenda was to better coordinate and streamline scrutiny, while ensuring that the benefits of scrutiny for citizens are achieved.
3. In March 2008, the Accounts Commission was asked by the Scottish Government to take on a gate-keeping and coordination role for the scrutiny of local government. The strategic scrutiny group (SSG) was subsequently established to set priorities and oversee development activity linked to this new role.
4. At that time the SSG consisted of the Accounts Commission (chair), Audit Scotland, Care Commission (CC), the Convention of Scottish Local Authorities (COSLA), Her Majesty's Inspectorate of Education (HMIE), Her Majesty's Inspectorate of Constabulary for Scotland (HMICS), the Scottish Housing Regulator (SHR), NHS Quality Improvement Scotland (NHS QIS), Social Work Inspection Agency (SWIA), the Scottish Government (SG), the Society of Local Authority Chief Executives and Senior Managers (SOLACE).
5. The SSG established an operational group to carry out the necessary detailed development work to establish a framework for better co-ordinating local government scrutiny. The operational group was made of representatives of the main local government scrutiny bodies that were in existence at that time (AS, CI, HMIE, SWIA, and SHR). It also included representation from the local government body the Convention of Scottish Local Authorities (COSLA).
6. The operational group prepared a joint code of practice for local government scrutiny, which set out how the various bodies involved would work together to support more proportionate and streamlined scrutiny of local government (http://www.audit-scotland.gov.uk/docs/best_value/as_100110_scrutiny_joint_code_practice.pdf)
7. During 2009, the SSG successfully oversaw the introduction of the shared risk assessment process (based on a single corporate assessment framework). This led to improved planning and scheduling of scrutiny and a significant reduction in the overall level of corporate scrutiny activity in the local government sector.

8. Given the successful operation of the SSG since 2008, the Cabinet Secretary for Finance and Sustainable Growth wrote to the Accounts Commission in March 2011 confirming that he would like the co-ordination and facilitation of local government scrutiny activity to become one of the accepted functions of the Accounts Commission.¹

Scrutiny improvement and the Public Service Reform agenda

9. The context in which the SSG operates has changed significantly since 2008. A number of new scrutiny bodies have been created (Education Scotland, Care Inspectorate, Healthcare Improvement Scotland) and others have seen either their role and status amended (i.e. the Scottish Housing Regulator) or the nature of the service that they inspect change from a local to national service (HMICS, HMSI).
10. Over the same period the Scottish Government has also been implementing a wide-ranging public service reform agenda. That reform agenda includes:
 - the Scottish Government/COSLA review of community planning
 - police and fire reform
 - health and social care integration
 - college regionalisation
 - welfare reform
 - community empowerment and renewal.
11. A common feature of these developments is that they extend beyond local government and affect a range of different public sector bodies. However, the formal remit of the SSG currently remains the same as in 2008, i.e. local government scrutiny co-ordination.
12. As a consequence, discussions in the SSG in February and April of last year indicated a strong interest in the group repositioning itself to take on a wider public sector scrutiny co-ordination and improvement role.
13. Those discussions have led to the development of revised Terms of Reference for the SSG (Appendix 1) which emphasise the proposed broader cross-public sector role for the group.

Strategic Scrutiny Group priorities and draft work programme: 2014/15

14. At its meeting in February 2014 the SSG had a wide-ranging 'stocktake' discussion on the progress that it had made in better co-ordinating and streamlining local government scrutiny since its establishment in 2008.
15. As part of that discussion it identified a long list of potential improvement priorities for the group for 2014/15 and beyond. That long list was used to prepare a draft set of seven development and improvement priorities for the strategic group which were considered at the group's April meeting.
16. Follow-up discussions were held with representatives of each of the scrutiny bodies that sit on the SSG (Care Inspectorate, Education Scotland, Healthcare Improvement Scotland, HMFSI, HMICS, Scottish Housing Regulator) in May to establish a more focused set of development and improvement priorities that

¹ Efficiencies from Improvement to Scrutiny report, Scrutiny Improvement Team, Scottish Government, February 2011

could be delivered during 2014/15 within existing resources and alongside the other work commitments of each body.

17. Those discussions led to the identification of five proposed key areas of focus for the work of the group:
 - Ensuring that scrutiny responds appropriately to the public service reform agenda
 - Implementing arrangements for co-ordinating and better aligning national and partnership-based audit and inspection activity
 - Reviewing the shared risk assessment process (including further consideration of the merits of establishing a place-based SRA model)
 - Piloting a locality-based inspection model
 - Implementing a suite of operational scrutiny improvements (e.g. joint staff training, sharing of best practice, more consistent approaches to supporting improvement, improved sharing of intelligence).
18. Appendix 2 to this report converts those proposed areas of focus into five projects with specific objectives and in some cases identified participants for involvement in the specified improvement activity.

Recommendations

19. The Accounts Commission is invited to:
 - (i) note the revised Terms of Reference for the SSG (Appendix 1)
 - (ii) note the SSG Work Programme 2014/16
 - (iii) consider their implications for the work of the Accounts Commission

Appendix 1: Strategic Scrutiny Group: Terms of Reference

The primary purpose of the Strategic Scrutiny Group is to promote collaboration and shared learning amongst Scotland's main public sector scrutiny bodies. The aim being to ensure efficient and effective, well co-ordinated scrutiny that supports an appropriate pace of improvement in Scotland's public services.

The group's work is underpinned by the five principles of scrutiny (public focus, independence, proportionality, transparency and accountability) and the obligations of the Public Service Reform (Scotland) Act.

The Strategic Scrutiny Group will promote collaboration in those areas of shared interest where working together will add greatest value and create collaborative gain.

In promoting collaboration the group acknowledges the specific and distinctive statutory roles and responsibilities that each organisation has, and their respective governance and accountability structures.

The group has the lead role in ensuring that scrutiny developments reflect the evolving public service reform agenda, with its focus on place, partnership, prevention and performance, and contribute to improved public services.

More specifically, the Strategic Scrutiny Group's key functions are to:

- consider key national legislation and policy developments affecting Scotland's public services (e.g. health and social care integration, Children's Bill, community empowerment) and develop appropriate (collective, joint or individual) scrutiny responses
- establish appropriate communication and engagement arrangements with the Scottish Government and other key stakeholders (e.g. COSLA, SOLACE) in relation to scrutiny improvement
- ensure effective liaison and co-ordination of audit and inspection activity across the public sector², covering the following areas:
 - national thematic audit and inspection work
 - joint audit and inspections of public bodies and partnerships
 - oversight of the shared risk assessment (SRA) process
- promote a co-ordinated approach to supporting improvement and building self assessment capacity across the public sector (including promoting good practice)
- act as an oversight and challenge board for the Scrutiny Operational Group to ensure that it delivers continuous improvement in scrutiny practices (e.g. the implementation of shared training and development across agencies, the adoption of more consistent best practice approaches to assessing self evaluation evidence, the adoption of best practice in assessing scrutiny evidence, improved sharing of data and intelligence across scrutiny bodies, etc.)

Source: Strategic Scrutiny Group: August 2014

² See section 114 of the Public Service Reform (Scotland) Act 2010 (Duty of co-operation).

Appendix 1: Strategic Scrutiny Group: Work Programme



Strategic Scrutiny Group work programme: 2014/15

August 2014

Project title	Objectives	Key deliverables and time frame	Lead officer and other participants
<p><u>Project 1:</u></p> <p>Achieving effective alignment between external scrutiny and the public service reform agenda</p> <p><u>Strategic Scrutiny Group sponsor</u></p> <p>Robbie Pearson (Healthcare Improvement Scotland)</p>	<p>The purpose of this improvement project is to ensure that scrutiny developments reflect the context of the evolving public service reform agenda, with its focus on place, partnership, prevention, and performance.</p> <p>This will require the strategic scrutiny group to consider how existing scrutiny might be further refined to reflect significant public service reform developments. For example, by considering how the Accounts Commission/Auditor General for Scotland audits of community planning partnerships might be affected by the Community Empowerment (Scotland) Bill and what the impact of the Children and Young People (Scotland) Act 2014 might be on the Care Inspectorate’s children’s services inspection arrangements.</p> <p>It will also require the SSG to consider what new scrutiny activity should take place either at local or national level to consider and address significant strategic public service issues (e.g. welfare reform).</p> <p>An important area of focus for the group will be to jointly consider how scrutiny bodies should respond to recent and planned changes to public service delivery arrangements in Scotland. For example: the impact of the creation of a single Police service (Police Scotland) and a single Fire and Rescue service for Scotland; and the creation of statutory health and social care partnerships and the establishment of national health and well-being outcomes</p> <p>The final development area for the group will be to introduce improved arrangements for being briefed on and considering key Scottish Government policy developments and public service legislation as it is developed by officials and subsequently passes through the Scottish Parliament.</p>	<p>Scottish Government briefing on key themes and future priorities of the public service reform (PRS) agenda - 28 August SSG meeting</p> <p>Early consideration of implications of the outcome of the Scottish Independence Referendum on the PSR agenda - 2 October SSG meeting</p> <p>Consideration of the relationship between SG public service reform priorities and existing scrutiny arrangements - 4 December SSG meeting</p> <p>Development of SSG programme of public service reform related scrutiny development work – Spring 2015</p> <p>Ongoing consideration of PSR developments – throughout 2015</p>	<p>Antony Clark - Audit Scotland</p> <p>Elinor Mitchell – SG (and SG policy colleagues)</p> <p>Strategic scrutiny group members</p>

Project title	Objectives	Key deliverables and time frame	Lead officer and other participants
<p>Project 2:</p> <p>Implementing arrangements for improved co-ordination and alignment of national thematic scrutiny and the scrutiny of partnerships</p> <p>Strategic Scrutiny Group sponsor</p> <p>Fraser McKinlay (Audit Scotland)</p>	<p>The purpose of this improvement project is to support the strategic scrutiny group in:</p> <ul style="list-style-type: none"> • thinking strategically about key long-term issues facing the public sector and how scrutiny should evolve in response to them, to ensure the continued relevance and added value of scrutiny activity and improvement support • introducing new arrangements for ensuring appropriate 'joined-up' approaches to the scrutiny of key national policy developments that create added value and make best use of scarce scrutiny resources • improving the planning, scheduling and alignment of partnership-based scrutiny activity to mitigate the risk of unintended 'scrutiny creep' of partnerships and the creation of a new concern about scrutiny 'burden' <p>This will require strategic scrutiny group members to share, at an early stage, those issues which they are considering as potential topics for national thematic scrutiny. This would enable the SSG to identify any opportunities that exist for joint working and/or aligning scrutiny activity. As the SSG will already be considering key PSR and public policy developments (project 1), taken together these two developments should provide improved coherence in responding to key national issues of scrutiny interest and concern.</p> <p>In relation to the scrutiny of partnerships, the national schedulers and planners group will be tasked with improving the arrangements for sharing information on planned partnership scrutiny activity so that opportunities for joint working and/or aligning scrutiny activity can be better identified.</p> <p>At a 'systems-wide' level the strategic scrutiny group will also need to give consideration to the best approaches to scrutinising partnerships across the public sector so that a coherent framework for the scrutiny of partnerships can be designed and established.</p>	<p>Briefing by Audit Scotland on the key public sector risks and major policy development that are being considered for inclusion in the Accounts Commission and Auditor General programme of performance audits – 28 August SSG meeting</p> <p>A programme of briefings from all SSG members on their potential topics for national 'thematic' scrutiny will be established – update report at 2 October SSG meeting</p> <p>Initial proposals for improving the alignment of partnership-based scrutiny activity – 4 December SSG meeting</p>	<p>Antony Clark - Audit Scotland</p> <p>Strategic scrutiny group members</p> <p>Schedulers and planners group:</p> <ul style="list-style-type: none"> • Andy Cowie – HMICS • Brian McKenzie – HMFSI • Christine MacLeod – SHR • Clare Lamont – ES • Gillian Woolman – ASG • Jacqui Macrae – HIS • Kevin Mitchell – CI • Paul Considine - HMFSI

Project title	Objectives	Key deliverables and time frame	Lead officer and other participants
<p>Project 3:</p> <p>Review of the SRA process</p> <p>Strategic Scrutiny Group sponsor</p> <p>Alastair Delaney (Education Scotland)</p>	<p>The purpose of this improvement project is to review and refine the SRA process to ensure that it: is effectively embedded in the work of our organisations, informs our local and national work programmes, delivers high quality consistent engagement between LAN (leads) and councils, and contributes effectively to streamlining scrutiny and reducing the scrutiny burden.</p> <p>Specific issues that the improvement project will consider will include:</p> <ul style="list-style-type: none"> • What has worked well and less well in the process since its introduction in 2010? • What is the fundamental purpose and value of the SRA process to each of the participant agencies (a council engagement exercise? a vehicle for sharing information and intelligence? a means of co-ordinating planned scrutiny? the means through which the need for, and scope of, scrutiny is determined?) • What we mean by ‘risk’ in a scrutiny (and SRA) context, and what should be in scope for the AIP (corporate scrutiny, partnership scrutiny, service-based inspection, improvement support)? • How can the pace of improvement in councils be better embedded in the SRA supported by appropriate challenge and improvement support from scrutiny bodies? • How we improve the consistency of input by agencies in the process and the quality of the underlying risk assessment data and evidence? • How do we improve the linkages between national scrutiny programmes and local scrutiny risk assessments and scheduling? • What are the pros and cons of a place-based SRA, and how practical is such a model? 	<p>Update report on progress to 28 August SSG meeting</p> <p>Proposals for change to be presented to 2 October SSG meeting</p>	<p>Antony Clark - Audit Scotland</p> <ul style="list-style-type: none"> • Alastair Delaney – Education Scotland • Jacqui Macrae – Healthcare Improvement Scotland • Karen Anderson – Care Inspectorate • Christine Macleod – Scottish Housing Regulator • Fiona Mitchell-Knight – Audit Services Group, Audit Scotland

Project title	Objectives	Key deliverables and time frame	Lead officer and other participants
<p>Project 4:</p> <p>Place-based scrutiny pilot</p> <p>Strategic Scrutiny Group sponsor</p> <p>Annette Bruton (Care Inspectorate)</p>	<p>The purpose of this pilot is to devise and assess a potential methodology for the evaluation and scrutiny of how well public bodies are operating in partnership at a local level to deliver high quality integrated public services that reflect the needs of local people. The pilot will have a particular focus on the four pillars of public service reform – prevention, partnership, people and performance.</p> <p>By the end of this exercise it is anticipated that we will be able to:</p> <ul style="list-style-type: none"> • assess the efficacy of a particular approach to place-based scrutiny • decide whether the approach has sufficient merit to be worth pursuing further • consider the interaction between this exercise and other related scrutiny such as the auditing of Community Planning Partnerships, Children’s Services inspections, local police and fire inspection activity, etc. • examine what evidence exists on the collaboration of public services in a local area to improve people’s lives • assess the extent of collaboration between public services across all life stages 	<p>Initial proposals to be presented to 3 July SSG meeting</p> <p>Methodology development – Autumn 2014</p> <p>Pilot scrutiny activity – Jan/Feb 2015</p> <p>Local reporting to Perth And Kinross Council and partners – March 2015</p> <p>Evaluation report to SSG – Spring 2015</p>	<p>Alastair Delaney – Education Scotland</p> <ul style="list-style-type: none"> • Claire Lamont – Education Scotland • Ken McAra – Education Scotland • Professor Chris Chapman, Glasgow University • Audit Scotland (tbc) • Care Inspectorate (tbc) • Scottish Housing Regulator (tbc) • Healthcare Improvement Scotland (tbc) • HMICS (tbc) • HMFSI (tbc)

Project title	Objectives	Key deliverables and time frame	Lead officer and other participants
<p>Project 5:</p> <p>Programme of operational scrutiny improvement</p> <p><u>Strategic Scrutiny Group sponsor</u></p> <p>Derek Penman (HMICS)</p>	<p>The purpose of this improvement project is to support the strategic group in driving continuous improvement in operational scrutiny practices that contribute to shared learning and the more consistent application of best practice across the scrutiny sector and support improvement in public services.</p> <p>The focus of this workstream will be on the operational delivery of:</p> <ul style="list-style-type: none"> • the implementation of shared training and development across agencies • the sharing of best practice methodologies for the assessment and validation of service performance and outcome data • promoting a co-ordinated approach to supporting improvement and building self assessment capacity by scrutiny bodies across the public sector • the adoption of more consistent approaches to assessing self evaluation evidence • the identification and sharing of best practice in assessing scrutiny evidence • improved sharing of data and intelligence across scrutiny bodies to avoid duplication of effort and inconsistent audit and inspection judgements • benchmarking scrutiny delivery and compliance costs 	<p>Development of operational improvement work programme – Summer/Autumn 2014</p> <p>Proposals to SSG – 2 October SSG meeting</p>	<p>Operational scrutiny group (individual project leads tbc):</p> <ul style="list-style-type: none"> • Kevin Mitchell and Helen Happer - Care Inspectorate • Jane McManus - Education Scotland • Jacqui Macrae - Healthcare Improvement Scotland, • Justine Menzies – HMICS • Brian Mackenzie – HMFSI • Christine Macleod - Scottish Housing Regulator